Differences in production costs of urea

†2646. SHRI RAJ MOHINDER SINGH MAJITHA:
DR. MURLI MANOHAR JOSHI:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that cost of production of chemical fertilizers particularly in case of urea production projects is reported to be different in the country;

(b) if so, the minimum cost of production of urea alongwith the name of the project, whether the said cost was involved and the maximum cost of production alongwith the name of the project where the same was involved in the country during this year 2006-07;

(c) whether it is also a fact that Government have fixed the time frame for project officers in order to reduce the cost of production in these projects; and

(d) if not, the time-frame fixed for the said projects and if not, the reasons thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) Yes. Sir,

(b) The difference between MRP (the rate at which urea is sold to farmer) and the concession rate (the normated cost of production with escalations on inputs) is paid by the Government to indigenous urea producing units as subsidy. The minimum and maximum concession rate based on New Pricing Scheme (NPS) parameters is as under:-

	Name of the unit	Group to which the unit belongs to	Provisional Concession RATE FOR 2006-07 (Rs. /MT of urea)*	Remarks
Minimum	NFL-Vijaipur-I	Pe-92'Gas	5974	
Maximum	MFL-Chennai	Pe-92' Naphtha	24895	Upto 30.9.2006
			22899	*w.e.f.* 1.10.2006 due to withdrawal of outlier benefit

(c) and (d) Yes. Sir, Under the New Pricing Scheme Stage-Ill for urea units notified on 8th Mach 2007, all functional Naphtha and FO/LSHS based units are required to convert to gas within a period of three years *i.e.* before March, 2010.

†Original notice of the question was received in Hindi.